

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**SB 1053 - HB 1336**

March 17, 2023

**SUMMARY OF BILL:** Enacts the *Workers Need Child Care Act*. Creates a special account within the General Fund to be known as the Child Care Infrastructure Fund (CCI Fund). Requires the Department of Economic and Community Development (ECD) to administer the CCI Fund by allocating grants to nonprofit entities establishing new licensed child care agencies. Requires the CCI Fund to be composed of money appropriated by the General Assembly, and gifts, grants, and other donations received by ECD. Authorizes ECD to use five percent of the total annual amount appropriated to the CCI Fund for program administration, marketing expenses, and program evaluation. Requires the Commissioner of ECD to submit an annual report to the Chair of the Health and Welfare Committee of the Senate and the Chair of the Health Committee of the House of Representatives, detailing CCI Fund expenditures.

**FISCAL IMPACT:**

**Increase State Expenditures –**

**\$6,000,000/FY23-24 and Subsequent Years/General Fund**

**Increase State Revenue –**

**\$6,000,000/FY23-24 and Subsequent Years/Child Care Infrastructure Fund**

**Other Fiscal Impact – Expenditures from the Child Care Infrastructure Fund are anticipated to be made over a multiple-year period.**

**Assumptions:**

- Based on information provided by ECD, there will be a fiscal and operational impact to launch and administer the CCI Fund.
- ECD will require one additional Executive Director position and one Program Coordinator 1 position.
- The recurring increase in state expenditures for the Executive Director will be \$139,670 (\$113,496 + \$26,174 benefits) in FY23-24 and subsequent years.
- The recurring increase in state expenditures for the Program Coordinator 1 will be \$84,990 (\$66,600 salary + \$18,390 benefits) in FY23-24 and subsequent years.
- Based on information provided by ECD, approximately \$75,000 in additional travel, printing, supply, material, computer equipment, training, and professional service expenses will be incurred each year to assist ECD in launching and administering the CCI Fund.

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- The estimated total recurring increase in state expenditures will be \$299,660 (\$139,670 + \$84,990 + \$75,000) in FY23-24 and subsequent years.
- ECD expenditures are required to not exceed five percent of the amount appropriated each year; therefore, an appropriation of at least \$5,993,200 ( $\$299,660 / 5\%$ ) will be required.
- It is therefore assumed that a recurring appropriation of \$6,000,000 will be made each year from the General Fund to the CCI Fund. Expenditures from the CCI Fund to nonprofit organizations are anticipated to be made over a multiple-year period.
- The Department of Human Services is anticipated to license new child care agencies. Any impact on the department's revenue and expenditures is estimated to be not significant.

### **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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